

STATEMENT FOR DIRECTOR OF CENTRAL INTELLIGENCE

1. As indicated previously to this Committee, I have directed a thorough examination of the organization and other management processes in the Agency. In addition, we have recently engaged in a painful exercise similar to a reduction in force in other agencies through which we separated, or will separate, approximately 150 people who are surplus to the specialized requirements of the Agency.

2. Through both of these steps, I have looked closely at the Agency's personnel and its personnel program. On the whole, I have found the competence and dedication of the people in CIA to be outstanding and the personnel program to be responsive to the Agency's needs. I have noticed one important deficiency, however, which I wish to bring to your attention and seek your advice. The simple fact is that foreign intelligence operations require a preponderance of relatively young people and we urgently need a more flexible retirement system to permit some of our officers to retire earlier than they can under civil service retirement. After several years of study, we have concluded that a retirement system similar to the Foreign Service would meet this need. Obviously, such a system would not be needed for all employees and criteria are being developed to identify the employees or classes of employees to whom it would apply.

3. The legislation required is simple and short. It would authorize the Director of Central Intelligence to establish a retirement system corresponding to that of the Foreign Service. Our proposal has been discussed with the Bureau of the Budget and they have agreed in principle that it would be appropriate for the Agency. I believe we could secure their formal approval in ten days to two weeks. We are prepared to furnish you at any time detailed information concerning this legislation and the reasons we believe it is essential. However, being aware of the lateness of the hour of this session of the Congress, I would like to ask you now if there is any possibility in your view that this type of legislation could receive favorable action in the time remaining in this session.

7/30/62

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